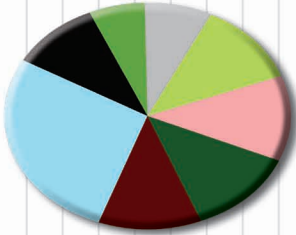
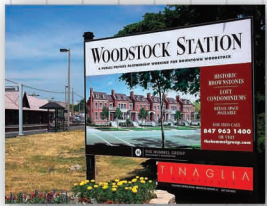




HIGHLIGHTS



Where the **Money**
Comes From
and
Where the
Money Goes
Pages 2 & 3



Downtown, Commercial
and Industrial Expansions
Pages 4 & 5



2005-06 Goals & Capital
Improvement Projects
Pages 6 & 7

Property Tax Information
and City Directory
Page 8

WOODSTOCK

Popular Annual Financial Report

Fellow Citizens of Woodstock:

I am pleased to present the City of Woodstock's *Popular Annual Financial Report* (PAFR) for the fiscal year beginning May 1, 2005 and ending April 30, 2006. This report summarizes all of the financial activities of the City of Woodstock, providing a brief analysis of where City revenues come from and where dollars are spent, as well as an overview of the City's property tax levy, capital improvements and future development.

Information contained in the PAFR was taken from the City's FY05/06 Budget, a detailed document comprised of more than 1,000 pages of financial information, department narratives, graphs, schedules, and reports. The statements and data contained in the PAFR condense and simplify our FY05/06 Budget for all City funds. The report does not conform to Generally Accepted Accounting Principals (GAAP) and governmental reporting standards. Instead, it is specifically designed to communicate the financial condition of the City in "layman's terms" as a means of increasing public confidence in City government and its elected officials through open, user-friendly financial reporting.

As you review the report, you will see that FY05/06 promises to build upon the successes achieved in the previous fiscal year. In addition to the numerous services provided by the City on a day-to-day basis, the City Council anticipates working with our professional City staff toward the following significant goals during FY05/06:

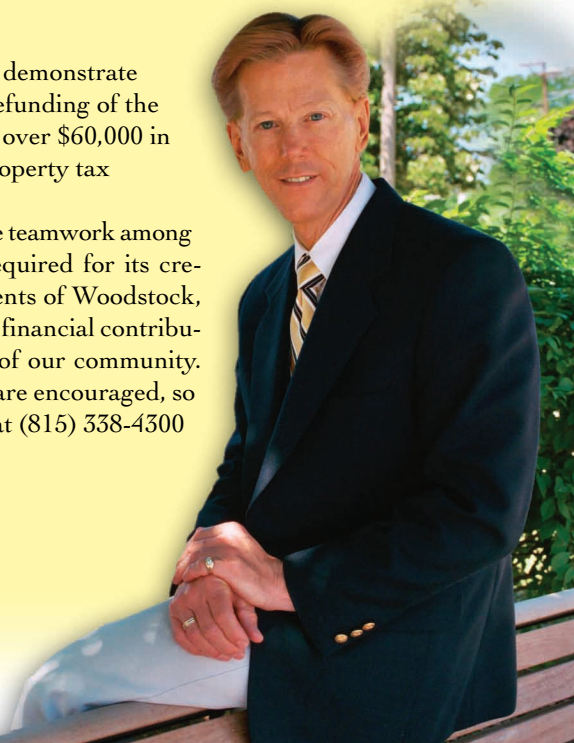
- review plans for the construction of several retail stores in Woodstock,
- construct the Davis Road Soccer Complex,
- expand Lake Avenue for the future Super Wal-Mart store,
- complete engineering for several new roadways that will reduce traffic congestion on Route 47,
- approve a Unified Development Ordinance to insure expedited and properly designed future development, and
- continue the revitalization of the City's downtown with the addition of streetscape and way finding signage.

Additionally, and importantly, the City will continue to demonstrate proper fiscal management through the anticipated July refunding of the 1999 Library General Obligation Bonds, thus generating over \$60,000 in net present value savings and a reduction in the future property tax burden on City residents.

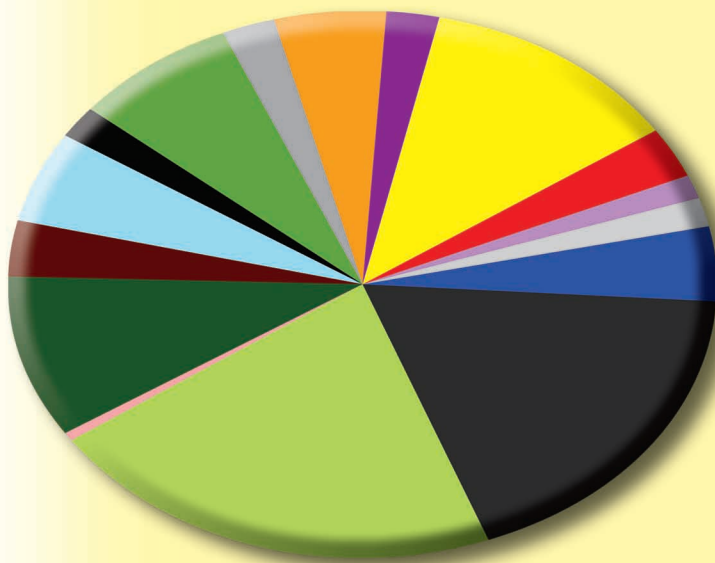
We are proud of the *Popular Annual Financial Report* and the teamwork among the City Council, City Administration and employees required for its creation and execution. Ultimately, we thank you, the residents of Woodstock, for the opportunity to serve, your encouragement, and the financial contributions you make through local property taxes in support of our community. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Finance Department at (815) 338-4300 or e-mail financedept@woodstockil.gov.

Regards,

Brian Sager, Ph.D.
Mayor



Where the Money Comes From



PROPERTY TAXES	\$7,055,200	28.0%	LICENSES & PERMITS	1,692,100	1.8%
REPLACEMENT TAXES	161,000	0.5%	RESTRICTED REVENUES	793,000	17.7%
SALES TAXES	3,210,000	13.3%	WATER & SEWER SALES	4,016,000	3.9%
TELECOMM TAXES	1,100,000	4.8%	CHARGES FOR SERVICES	1,012,000	2.1%
INCOME TAXES	1,800,800	7.7%	INTERGOV. REVENUES	481,900	3.5%
MFT ALLOTMENT	640,000	2.8%	INTEREST	566,200	4.2%
IMPACT FEES	2,512,600	6.4%	OTHER	1,483,600	
FINES & FEES	816,500	3.3%	BOND PROCEEDS	6,100,000	
TOTAL				\$ 33,440,900	

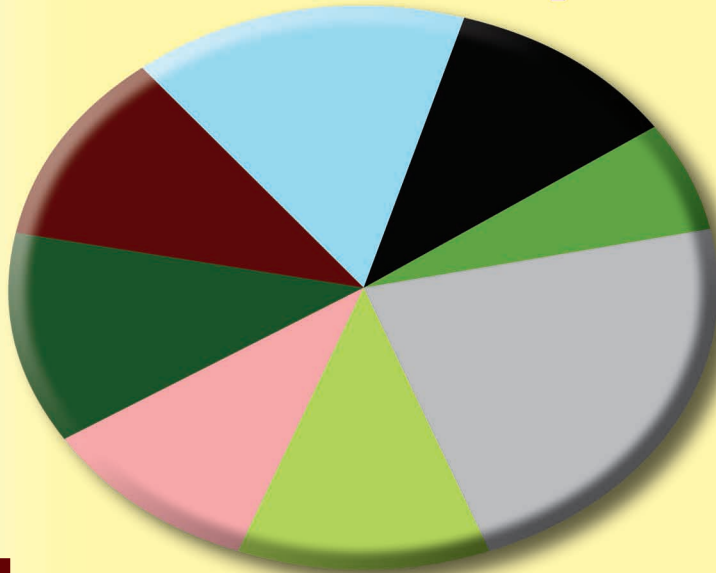
COMPARING INCOME SOURCES

	FY04/05 BUDGET	FY05/06 BUDGET
Property Taxes	\$ 6,404,300	\$ 7,055,200
Replacement Taxes	112,500	161,000
Sales Taxes	3,040,000	3,210,000
Telecomm Taxes	1,100,000	1,100,000
Income Taxes	1,767,000	1,800,800
MFT Allotment	630,000	640,000
Impact Fees	1,452,000	2,512,600
Fines & Fees	760,200	816,500
Licenses & Permits	418,700	1,692,100
Restricted Revenues	-	793,000
Water & Sewer Sales	4,041,700	4,016,000
Charges for Services	887,600	1,012,000
Intergov. Revenues	471,700	481,900
Interest	800,300	566,200
Other	958,400	1,483,600
Bond Proceeds	-----	6,100,000
Total Financial Sources	\$ 22,844,400	\$ 33,440,900

Overall, revenues for all funds are expected to increase in FY05/06 by \$10,596,500 or 46.3%, totaling \$33,440,900. However, this information is misleading, since accounting standards require the City to recognize \$6,100,000 in bond proceeds as revenue for the proposed budget year. In addition, the FY05/06 Budget revenues include one-time contributions of \$793,000 to fund development-specific capital improvements and \$1,100,000 in annexation fees which will also be used, in large part, to meet additional capital needs resulting from new developments. Total revenues, excluding bond proceeds, of \$27,340,900 are projected to increase due to stable growth in property taxes and additional sales taxes generated by the construction of several new commercial developments (5.6% increase). In addition, collections from impact fees (73.0%) are also expected to increase next year and reflect the updated schedule of fees and charges imposed on new development approved by the City Council two years ago.

The increased development activity fueled by low-interest rates will continue to have a positive impact on license and permit revenues, however, the increase in license and permit revenues as presented may be misleading since this amount includes the aforementioned one-time \$1,100,000 in annexation fees. Charges for services have been budgeted to increase by 14% in FY05/06 to reflect the City's successful operation of the Woodstock Community Recreation Center and the Aquatic Center. Finally, other revenues are anticipated to increase in FY05/06 reported in the Police Pension, as the stock market continues to expand reflecting the overall economic growth projected to occur next year.

Where the Money Goes



The FY05/06 Budget proposal includes total expenditures for all funds of \$29,528,900, an increase of \$3,326,200 or 12.7%. The majority of this increase is due to the inclusion of several major construction projects that will be funded through issuance of Alternate Revenue Bonds, which will be repaid from existing revenue sources. Specifically, the General Corporate – CIP (\$4,265,400), Police Protection (\$379,000) and Public Works Administration (\$230,800) report the largest increases to expenditures, but are offset by bond proceeds combined with increased revenues. The Utility (\$2,725,000) and Environmental Management (\$192,100) Funds propose decreases to expenditures for FY05/06.

General Government expenditures, which include the City's Administrative Departments, Community and Business Development, Audit, Liability Insurance, Tax Increment Financing (TIF) and Revolving Loan Funds, are budgeted to increase by \$195,900.

Public Safety, which

represents the expenditures for Police services, is expected to increase by \$379,000 and includes the addition of two patrol officers.

Parks, Recreation & Culture expenditures, which includes Recreation, Aquatic Center, Community Events, Parks, Opera House, Library, and Community Recreation Center, are expected to increase by \$325,700 due to growth in these venues, e.g., Recreation Center and Stage Left Café.

Public Works expenditures, which includes Public Works Administration, Streets, Motor Fuel Tax, Paratransit and Environmental Management Funds are expected to increase by \$218,700 in FY05/06 resulting from new regulations for stormwater management and services required to meet the needs of a growing community.

The City's Utility expenditures are budgeted to decrease by \$2,725,000 in FY05/06 and reflect the reduction in capital outlay expenditures due to the completion of the Seminary Avenue Water Treat-

ment Plant expansion.

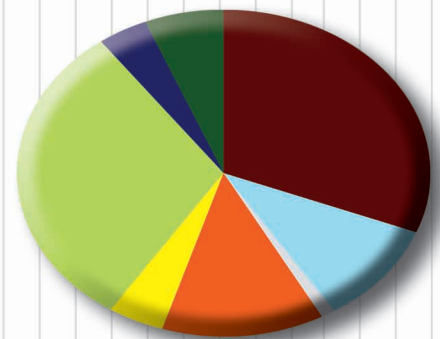
Pension/Employee Benefits are budgeted to increase by \$476,800 to reflect the increased employer contributions required by the poor stock market performance in previous years and costs associated with an expanding workforce.

Debt Service expenditures are budgeted to increase by \$189,700 in FY05/06 and include additional interest payments from the proposed bond issuance to fund several major capital projects. This item includes the principal and interest payments on bonds issued to construct, purchase and improve City facilities.

Capital Improvement expenditures are budgeted to increase in FY05/06 by \$4,265,400 due to the construction of several roadway improvements, the Davis Road Soccer Complex, and the new park on the donated property received from The Fields development. The FY05/06 Budget specifically includes \$2,650,000 in expenditures to provide for roadway improvements.

ALLOCATING THE DOLLARS

(FIGURES SHOWN BY TYPES OF EXPENDITURES)



■ SALARIES	\$9,126,000	30.9%
■ EMPLOYEE BENEFITS	2,972,300	10.1%
■ PERSONAL SERVICES	337,800	1.1%
■ CONTRACTUAL SERVICES	3,747,100	12.7%
■ COMMODITIES	1,309,500	4.4%
■ TOTAL CAPITAL OUTLAY	9,067,900	30.7%
■ INTEREST	1,148,700	3.9%
■ OTHER	1,819,600	6.2%
TOTAL	\$29,528,900	100.0%

Downtown REVITALIZATION

WAYFINDING & STREETSCAPE PROGRAM

- Successfully implemented elements of the program in the reconstruction of Calhoun Street (pedestrian nodes, benches, trash bins, bollards, landscaping), redevelopment of the Throop/Judd parking lot (lighting elements), and Woodstock Station (lighting elements, vehicular control signage).
- Budgeted for the implementation of additional projects in FY 05/06, including replacing existing Main Street street lights with decorative lighting (\$150,000) and the development and installation of wayfinding signage along major gateways (\$100,000).

WOODSTOCK STATION REDEVELOPMENT PROJECT

- Entered in to Development Agreement with The Hummel Group for the phased redevelopment of the former Woodstock Die Cast site.
- Woodstock Station will, at build out, include 40 Brownstone rowhouses, 196 condominium units and approximately 60,000 square feet of commercial/retail space.
- Project will serve as catalyst for revitalization of the surrounding neighborhood and downtown business district.



Wayfinding & Streetscape Program



Woodstock Station Redevelopment Project



Expanding Commercial/Industrial Base

WALMART SUPERSTORE

- Approval of a 200,000 square foot WalMart Superstore to include general merchandise, groceries, garden center, auto center and Subway. Construction to begin September 2005 to be opened September 2006.
- Project scope includes substantial roadway improvements to Lake Avenue, from Route 14 to Route 47, and will entail the installation of a traffic signal at the intersection of Lake Avenue and Kilkenny Court/Catalpa Lane.



MENARDS DEVELOPMENT

- Successful opening of 200,000 square foot home improvement store in August 2004 and includes an additional 150,000 square feet of commercial retail space.
- Signalization on Lake Avenue, at the intersection of Lake Avenue with the Farm & Fleet and Menards access points to occur in FY 05/06.



ADDITIONAL RETAIL DEVELOPMENTS

- Shoppes of Centerville (former DiTardi Pontiac)
- Shoppes of Eastwood (between Burger King and Clark)
- Walgreens and adjacent Dunkin Donuts/Baskin Robbins
- Woodstock Retail Center (Jewel/Osco)



RETAIL REDEVELOPMENT OPPORTUNITIES

- Former Farm & Fleet – southwest corner of Route 47 and Route 14
- Former Guardian Electric and Phoenix Woodworking – northwest corner of Route 47 and Lake Avenue
- Former Joslyn Research site – Route 14 and West Lake Shore Drive

DEMOGRAPHICS SNAPSHOT OF WOODSTOCK

Woodstock's population, according to the 2004 Special Census, is now 21,657. That is up 7.4% from the 2000 population of 20,151. Growth is expected to continue, with a 2010-projected figure of 28,500.

From 1990 to 2000, there was a 40.4% increase (from 14,353 to 20,151). From 1980, when Woodstock had just 10,497 residents, until 1990, the growth rate was 36.7%. As a comparison, McHenry County's population increased 23.9% from 1980 to 1990 and 41.9% from 1990 to 2000.

According to 2000 census figures, 50.2% of us were male, and 49.8% were female. Our median age was 32.1.

Census figures from 2000 showed that 80.1% of us were high school graduates, and 22.9% of us had bachelor's degrees or additional higher education.

From 1990 to 2000, median household income in Woodstock increased from \$36,521 to \$47,871 (31.4%). Per capita income in Woodstock increased from \$15,254 to \$23,210 (52.2%) during the same decade. For comparison purposes, McHenry County's per capita income increased from \$22,221 to \$29,212 (24.0%) from 1990 to 2000.

CONTINUED ON PAGE 7

GOALS FOR FY05/06

Many projects and programs are outlined within the FY05/06 Budget. A sample of some the projects that have been proposed for the next budget year are provided below.

- Additional commercial development including:
 - WalMart SuperCenter
 - Walgreens
 - Country Club Shopping Center Outlots
- The first phase of residential development on the former Die Cast site
- Construction of the Davis Road Soccer Complex
- Design and engineering for the construction of additional ballfields
- Construction of two major roadway improvements to increase capacity and enhance traffic flow
- Expanded Office Hours to serve the public.

The PAFR provides a summary of the City of Woodstock's Budget document for the 2005-2006 fiscal year (FY05/06). While the final budget is lengthy, the PAFR presents summary financial information, as well as an overview of the Capital Improvement Program. Copies of the FY05/06 Budget document are available for review in the City Manager's Office and at the Woodstock Public Library.



Walgreens

CAPITAL IMPROVEMENT FINANCING

Over the last several years, the City has improved, expanded and upgraded its existing facilities and constructed or purchased several new facilities, which has resulted in a substantial increase to the City's capital spending.

In FY05/06, capital spending will continue, representing 31% of the City's total expenditures. The total amount budgeted for capital spending is \$9,067,900, with a large portion coming from bond proceeds currently on hand.

City of WOODSTOCK CAPITAL PROGRAM

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representing 31% of the City's total expenditures. The total amount budgeted for capital spending is \$9,067,900, with a large portion coming from bond proceeds currently on hand.

Each year the City of Woodstock updates the five-year Capital Improvement Program. This plan addresses the capital and infrastructure needs of the City on a long-term basis. Evaluating and comparing the City's capital needs combined

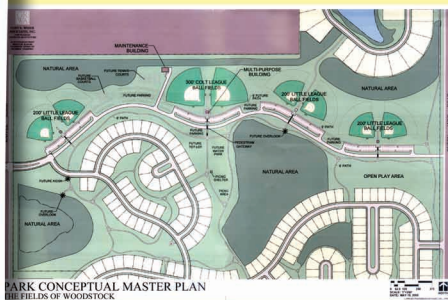
with multi-year planning is the best way of allocating scarce financial resources. Items included in the Capital Improvement Program are financed through capital expansion fees paid by developers, telecommunication taxes, grants, and/or bond proceeds.

The FY05/06 Budget includes projects to be funded for the current fiscal year. Some of these are new projects, while others are a continuation of multi-year initiatives. Listed below are some examples of the hundreds of projects outlined within the FY05/06 Budget document.

- **Bates Park Lighting** – The FY05/06 Budget provides for the installation of electric and lighting for ball diamonds 3 & 4 located in Bates Park.

- **Downtown Parking Lot Expansion** – The City will expand the current Wheeler Street parking lot to include an additional 40-50 parking spaces for commuters and visitors alike.

- **Lake Avenue Roadway Expansion** – The improvements to Lake Avenue will include an expansion to three lanes, traffic signalization, curb and gutter, storm sewers, and sidewalks. These roadway improvements will provide for adequate traffic flow to the future WalMart Supercenter and is being paid from sales tax revenue generated by WalMart.



The Fields of Woodstock



Streetscape Improvements

WOODSTOCK IMPROVEMENT GRAM 2005-2006

- **Davis Road Soccer Complex** – The FY05/06 Budget includes funding for the adaptive reuse of the existing landfill site to serve as a soccer complex. Construction includes the placement of additional fill on the site, the installation of a gravel parking lot and access drive, final grading for six additional soccer fields, and irrigation,
- **The Fields Park Development** – Detailed engineering and site plans will be developed for a future park site to be located on property donated by The Fields development to include 6-8 new ballfields.
- **Improvement and Widening of Banford Road** – The City in conjunction with the surrounding developments will continue to widen Banford Road in FY05/06, specifically between Tanager Drive to Banford Road Park. These improvements will also include reconstruction of the existing roadway and the installation of curb, gutter and storm water improvements.
- **Streetscape Improvements** – With the completion of the Calhoun Streetscape improvements, the City will continue with this project by enhancing Main Street with new decorative street lights.
- **Wayfinding Signage** – The FY05/06 Budget includes funding for the installation of six signs that will guide visitors to the historic downtown.
- **Street resurfacing** in various areas throughout the City.



Davis Road Soccer Complex

DEMOGRAPHICS SNAPSHOT OF WOODSTOCK (CONT.)

From 1990 to 2000, the number of Woodstock households increased from 5,290 to 7,273 (32.7% increase). The previous decade, the number of households had increased by 37.5%.

For the 2004 calendar year, there were 144 new residential construction permits issued. The value of the new residential permits was \$47,567,392. Those numbers increased in comparison to 2003 when 144 permits were issued for a total value of \$24,738,515.

During 2004, the value of commercial building activity was \$9,472,480 and the value of industrial building activity was \$475,000.

The largest private employers in Woodstock are Centegra Health System (800 employees), Brown Printing Company (700 employees), Cardinal Health (700 employees), Claussen Pickle Company (500 employees) and Wells Manufacturing (500 employees). Our largest public employers are McHenry County Government (1,100 employees) and Woodstock School District 200 (600 employees).

Capital Improvement Expenditures

DAVIS ROAD SPORTS COMPLEX	\$2,500,000	SIDEWALK CONSTRUCTION	\$250,000
MCCONNELL ROAD REALIGNMENT	\$1,000,000	LANDFILL/ENVIRONMENTAL PROJECTS	\$250,000
LAKE AVENUE IMPROVEMENTS	\$860,000	STREETScape AND WAYFINDING	\$250,000
STREET RESURFACING	\$540,000	WASTEWATER TREATMENT PLANT	\$195,000
STREET IMPROVEMENTS	\$540,000	LIBRARY BOOKS & MATERIALS	\$193,800
VEHICLES - NEW & REPLACEMENTS	\$507,000	PUBLIC FACILITIES	\$160,000
STREETS - NEW VEHICLES & EQUIPMENT	\$507,000	STORMWATER IMPROVEMENTS	\$140,000
PARKS	\$452,000	MISCELLANEOUS	\$383,100
WATER TREATMENT PLANT IMPROVEMENTS	\$340,000	TOTAL EXPENDITURES	\$9,067,900

Property Tax Information

While property taxes are a major source of revenue for all Illinois municipalities, including Woodstock, only one-fifth of the City's total revenues are derived from the collection of property taxes. Furthermore, of a typical homeowner's tax bill, only 18.3% goes to the City of Woodstock. Property taxes are used to fund many services provided by the City including but not limited to police protection, recreation programs, street maintenance, snow plowing, parks maintenance, library services, and the maintenance of the City's historic opera house.

In 2005, the City Council will consider authorizing the issuance of \$2 million in bonds to refund a portion of the City's 1999 Library General Obligation Bonds. The lower interest rates will result in generating over \$60,000 in net present value savings, specifically reducing the City's future tax levies for the repayment of the Library bonds.

CITY OF WOODSTOCK PROPERTY TAX COMPARISON 2004 PROPERTY TAXES*

	\$150,000 Fair Market Value	\$200,000 Fair Market Value
City of Woodstock	\$735.80	\$981.07
McHenry Count	\$367.30	\$489.73
McHenry Community College	\$151.65	\$202.20
McHenry County Conservation District	\$79.00	\$105.33
Woodstock Fire/Rescue District	\$182.90	\$243.87
Dorr Township	\$137.85	\$183.80
Community Unit School District #200	\$2,369.15	\$3,158.87
Total Property Taxes	\$4,023.65	\$5,364.87

* Please note: The property tax comparison in this report is based on the tax rate imposed by Dorr Township. Seventy-nine percent of personal properties within the city limits are in Dorr Township.

WOODSTOCK ASSESSED VALUES*

Tax Levy		Tax Levy	
Year	Total Value	Year	Total Value
2004	438,601,017	1999	317,735,898
2003	406,367,448	1998	306,460,130
2002	376,895,426	1997	302,072,082
2001	352,969,972	1996	285,182,033
2000	331,638,068	1995	251,132,350

* Assessed Values are determined by the township assessors and are based on 1/3 of the fair market value estimated for the home.



WOODSTOCK

CITY COUNCIL

Dr. Brian Sager, Mayor
338-4302

Mr. Dick Ahrens, Councilman
338-4301

Mrs. Julie Dillon, Councilwoman
338-4301

Mr. Mike Turner, Councilman
338-4301

Mr. Ralph Webster, Councilman
338-4301

CITY OF WOODSTOCK DEPARTMENT DIRECTORY

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Derik Morefield, Assistant City Manager
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Jim Kastner, Community Development Director
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Janelle Crowley, Human Resources Director
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Margaret Crane, Library Director
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John Scharres, Opera House Director
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John Isbell, Public Works Director
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Dave Zinnen, Recreation Director
338-4363 • dzinnen@woodstockil.gov

Mayor's Office • 338-4302

Water and Sewer Billing
338-4300 • waterbilling@woodstockil.gov

City Hall General Information • 338-4300

City Hall TDD • 338-4363

Dial-A-Ride • 338-5240

Library TDD • 334-2295

Opera House Box Office • 338-5300

City Attorney Richard G. Flood
459-2050